

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

SOCIAL WELFARE DEPARTMENT – Establishment - Gazetted – Serious financial irregularities and administrative lapses pointed out against Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, Hyderabad, presently working as Officer on Special Duty, APSWREIS, Hyderabad on deputation – Departmental Proceedings under Rule 20 of the Andhra Pradesh Civil Services (Classification, Control & Appeal) Rules, 1991 – Articles of charges – Issued

SOCIAL WELFARE (SER.I) DEPARTMENT

G.O.Rt No. 931

DATED:23-12-2008.

ORDER:

It is proposed to hold an enquiry against Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, Hyderabad, presently working as Officer on Special Duty, Andhra Pradesh Social Welfare Residential Educational Institutions Society, Hyderabad on deputation in accordance with the procedure laid down in Rule 20 of the Andhra Pradesh Civil Services (Classification, Control & Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held are set out in the enclosed Statement of Articles of Charges (Annexure-I). A statement of imputations of misconduct or misbehavior in support of each Article of Charge is enclosed (Annexure-II). A list of documents by which, and a list of witnesses by whom, the articles of charges are proposed to be sustained are also enclosed (Annexure - III and IV).

3. Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, Hyderabad, presently working as Officer on Special Duty, Andhra Pradesh Social Welfare Residential Educational Institutions Society, Hyderabad on deputation, is directed to submit his written statement of defence, within 10 days from the date of receipt of this order.

4. Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, Hyderabad, presently working as Officer on Special Duty, Andhra Pradesh Social Welfare Residential Educational Institutions Society, Hyderabad on deputation, is informed that an inquiry will be held only in respect of those Articles of Charges as are not admitted. He should, therefore, specifically admit or deny each Article of Charge.

5. Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, Hyderabad, presently working as Officer on Special Duty, Andhra Pradesh Social Welfare Residential Educational Institutions Society, Hyderabad on deputation, is further informed that if he does not submit his written statement of defence on or before the date specified in para 3 above, or otherwise fails or refuses to comply with the provisions of Rule 20 of Andhra Pradesh Civil Services (CC&A) Rules, 1991 or the order/directions issued in pursuance of the said rules, the Inquiring Authority may hold the inquiry against him ex parte.

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6. Attention of against Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, Hyderabad, presently working as Officer on Special Duty, Andhra Pradesh Social Welfare Residential Educational Institutions Society, Hyderabad on deputation is invited to Rule 24 of the A.P.Civil Services (Conduct) Rules, 1964, under which no Government Servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interests in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another person in respect of any matter dealt in these proceedings it will be presumed that Sri N. Dasaratharami Reddy, is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of rule 24 of the A.P. Civil Services (Conduct) Rules, 1964.

7. The receipt of the order be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.NAGI REDDY
PRINCIPAL SECRETARY TO GOVERNMENT

To

Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, Hyderabad, presently working as Officer on Special Duty, Andhra Pradesh Social Welfare Residential Educational Institutions Society, Hyderabad on deputation,
(Through the Commissioner of Social Welfare, AP, Hyderabad)

Copy to:

The Commissioner of Social Welfare, AP, Hyderabad.

(with a request to serve the articles of charges on the Charged Officer and return the served copy to Government for record).

SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE-I

STATEMENT OF ARTICLES OF CHARGES AGAINST SRI N. DASARATHARAMI REDDY, FORMERLY DIRECTOR, AP STUDY CIRCLE, HYDERABAD, PRESENTLY WORKING AS OFFICER ON SPECIAL DUTY, APSWREIS, HYDERBAD ON DEPUTATION

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ARTICLES OF CHARGE – 1

That Sri N. Dasaratharami Reddy, while functioning as Director, AP Study Circle, during the period from 13-12-2005 to 7-11-2007 failed to get verified the transactions made in the AP Study Circle. The transactions are being recorded in the cash book directly without maintaining any ledger and the closing of cash book was done once in a month. An amount of Rs. 6,035/- was drawn from Canara Bank, Gandhi Nagar Branch, Hyd., and made payments without taking the receipts in cash. Thus Sri N. Dasaratharami Reddy, failed to supervise the transactions.

ARTICLES OF CHARGE – 2.

Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle, has drawn salary advances for self for 16-12-2005, 12/2006 to 3/2007 and two others staff members of AP Study Circle, Hyderabad during 4/2006 and 7/2006 to a tune of Rs. 36,800/- without proper sanction orders of the concerned authority ie., Secretary/President and Managing Committee of APSC, Hyderabad. Thus, he failed from his legitimate duties.

ARTICLES OF CHARGE – 3.

While working as Director, AP Study Circle, an amount of Rs. 2,45,024/- (Rupees Two lakhs forty five thousand and twenty four only) was drawn vide Ch.No. 183715, dt.18-4-2005 towards the incremental arrears and pay fixation arrears by Sri N. Dasaratharami Reddy, Director, AP Study Circle. He has to draw the difference of arrears from where he worked previously prior to assuming the charge of the present post., ie., Director, APSC, Hyderabad. Thus he committed irregularity by drawing previous stations claims in the APSC, Hyderabad.

ARTICLES OF CHARGE – 4.

Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle has enhanced the grant from Rs. 2000/- to Rs. 3000/- and made payment to tune of Rs. 3,69,000/- to (123) candidates who admitted for Civil Services main programme during the year 2007-2008 directly without supplying material. An amount of Rs. 1,23,000/- was paid in excess of eligibility. No vouchers obtained from the candidatea for the entire amount. Thus Sri N. Dasaratharami Reddy, violated the norms of AP Study Circle.

ARTICLES OF CHARGE – 5.

While working as Director, AP Study Circle he entrusted the civil works to the contractor, without referring and getting the approval of the Executive Engineer, and not followed the rules prescribed for taking up civil work. He has not circulated the file in the matter to the higher authorities to obtain orders, which is highly irregular.

Irregular work order was given to Sri Babu, Contractor, H.No. 1-111/1/44, Ananda Nagar Colony, Kondapur, Hyderabad, by nominating to under take minor works of Banjara Hills buildings. Based on the estimates given by the contractor the works were entrusted and bills paid to a tune of Rs. 4,01,931/-, which is irregular and not in his purview.

ARTICLES OF CHARGE – 6.

While working as Director, AP Study Circle, he purchased (3) water coolers by violating the bye-laws to a tune of Rs. Rs. 1,00,000/- without following the procedure. There are no sanction orders of the Managing Committer for the above purchase.

ARTICLES OF CHARGE – 7.

Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle, sanctioned loans, viz., House Building Advance, Motor Cycle Advance, Moped Advance, to the staff of AP Study Circle, without proper sanction orders of the concerned authority to the staff, to a tune of Rs. 2,41,500/-. The sanctions were made only on the representation of individual without observing the Government orders and not mentioned the terms and conditions on which the long term loan is sanctioned. The individuals has not submitted any documents for claiming the advance and also utilization of advance sanctioned. Thus he failed to follow the procedure while sanctioning the said advances to the staff.

ARTICLES OF CHARGE – 8.

As per bye-law the Director, APSC is empowered to purchase book and periodicals to the extent of Rs. 5000/- only, where as the Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle, Hyderabad, placed Irregular orders for supply of equipments and furniture for Libraries of Ambedkar Bhavan and Banjara Hills branch without observing tender procedure to a tune of Rs. 27,75,581/-. The amount incurred on the purchase of all the items without the approval of the Secretary/President of APSC, Hyderabad. Lakhs of rupees were paid to the suppliers without issuing the sanctioned proceedings by Sri N. Dasaratharami Reddy. Thus he failed to follow the procedure and deviated the rules.

ARTICLES OF CHARGE – 9.

As per the recommendation of the Chief Consultants the inmates have to be provided special classes by inviting guest faculty on paying remuneration instead Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle, permitted the inmates to attend the classes at the residence of Prof. Munirathnam Reddy, Ashok Nagar, Hyderabad, which is an irregular procedure. Due to which an amount of Rs. 2,62,628/- was incurred towards hire charges for the conveyance. In addition an amount of Rs. 4,66,235/- was drawn during the period from 4/2005 to 10/2007 towards hire charges of private vehicles and paid an amount of Rs. 10,000/- ie., @ Rs.500/- each to (20) VIVA students as conveyances charges. Thus Sri N. Dasarathrami Reddy, has incurred an amount of Rs. 7,38,863/- without following the procedure, which is a serious financial irregularity.

ARTICLES OF CHARGE – 10.

As per the resolution of Managing Committee meeting of AP Study Circle, each inmate can be paid to a maximum of Rs. 200/- in each session towards treatment subject to production of medical bills from medical Practitioner of a Govt. Hospital/Dispensary and in exceptional circumstances from recognized nursing home. In case of emergency the inmate should get himself/herself admitted to Govt., teaching Hospital and undergo treatment. In some cases the Director, Sri N. Dasarathrami Reddy, while working as Director, AP Study Circle, referred the inmates to private hospital for specialized treatments and considered the claims towards medicine and treatment also, without obtaining ratification from the Managing Committee. Thus Sri N. Dasarathrami Reddy, incurred an amount of Rs. 2,62,429/- towards medical aid to the inmates of AP Study Circle, in violation of the rules.

ARTICLES OF CHARGE – 11.

That Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle, paid an amount of Rs. 41,120/- to staff and daily wage workers towards medical aid from the grants of AP Study Circle. There is no provision for such sanction of medical aid to Daily wage workers. Thus he violated the financial rules and caused loss of Government money.

ARTICLES OF CHARGE – 12.

During his tenure as Director, AP Study Circle, Sri N. Dasaratharami Reddy, appointed (55) personnel on daily wage basis to work in two branches of AP Study circle in violation of provisions of Act 2 of 1994. As per the guidelines issued in GO.Rt.No. 2501 Fin.(SMPC) Dept., dt. 13-7-2006, the Head office or the Department, who is principal employer should get permission from the Govt., in Finance Dept., to engage for outsourcing the services. Any appointment or removals have to be made in APSC Hyd., by the Managing Committee only, but whereas the Director, Sri N. Dasaratharami Reddy, initiated steps to appoint such huge no. of daily wage worker on payment of remuneration fixed by the Govt., for employees who were appointed by outsourcing agency. Thus Sri N. Dasaratharami Reddy, failed to get it ratified by the Managing Committee and no permission was also obtained from Govt., or from the Secretary, President, AP Study Circle. Further an amount of Rs. 345/- was paid to each outsourcing person towards bus pass every month in addition to monthly wages. The remuneration of the daily wage employees was also enhanced from time to time. Thus an amount of Rs. 31,23,191/- was incurred during years 2005-2006 to Jan,2008, which is irregular.

ARTICLES OF CHARGE – 13.

It is observed that huge no. of books worth Rs. 2,10,000/- were missing as per the report furnished by retired Senior Librarian of City Central Library, on the maintenance of AP Study Circle office library, during the period of Sri B. Venkateswaralu, who was the custodian of the Library. No action was taken to recover the loss caused to the AP Study Circle.

Further no action was taken to return the library books by the inmates. Instead of rectifying the mistakes the Director, Sri N. Dasaratharami Reddy, purchased the books to a tune of Rs. 11,00,410/-. On verification of the stock registers it is observed that stock worth Rs. 2,20,662/- was not entered in the accession register of both libraries of Ambedkar Bhavan and Banjara Hills buildings. Thus Sri N. Dasaratharami Reddy, failed to verify the stock register and also failed to take action to recover the amount from the librarian.

ARTICLES OF CHARGE – 14.

Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle, has sanctioned and incurred an expenditure of Rs. 6,29,532/- toward birthday celebrations of Babu Jagajeevan Ram and Dr. B.R.Ambedkar during the year 2005-2006 and 2006-2007 without following financial rules of Study Circle. The expenditure incurred in 1997 was Rs. 7000/- and in the year 2001 it was Rs. 12,000/-. This drastic hike in the expenditure without any permission from the Secretary (or) Management Committee is in violation of financial Rules of Study Circle.

ARTICLES OF CHARGE – 15.

The study Circle is having two buildings one at lower tank bund and another at Banjara Hills with hostel facilities. But Sri N. Dasaratharami Reddy, while working as Director, AP Study Circle, accommodated the students in (6) Private buildings incurring huge rent of Rs. 51,850/- P.M. towards rent, electricity and water charges without any authority and did not bring to the notice of Management Committee. This could have been avoided if the inmates are accommodated in the study circle buildings.

In addition to that an amount of Rs. 65,600/- was incurred towards payment of rents to the students for maintenance at outside the residents. As two buildings and six rented buildings were available for providing accommodation, the payment of rent to the students to stay at private residence is not permissible. Thus Sri N. Dasaratharami Reddy, violated the rules and acted at his will and caused loss to the AP Study Circle.

ARTICLES OF CHARGE – 16.

Thus Sri N. Dasarathrami Reddy, Director, AP Study Circle, incurred huge amount of Rs. 2,18,150/- on purchase of mineral water during the year 2006-2007 and 2007-2008 though the buildings were provided facility of water purifiers. Thereby caused financial loss on unauthorized items.

ARTICLES OF CHARGE – 17.

Sri N. Dasarathrami Reddy, Director, AP Study Circle, allowed (3) employees viz., K. Venkatappa Rao, Asst. Librarian, Smt. S.Swaroop Rani, Sr.Steno and Sri K. Malakondaiah, Daily wage worker of AP Study Circle, to stay along with inmates and avail the mess facility which is against the Rules. Thereby violated the rules of Study Circle

ARTICLES OF CHARGE – 18.

As per the norms fixed by the Managing Committee, an amount of Rs. 700/- P.M. has to be incurred on each students for mess charges. The present strength of students in both the branches are nearly 700, expenditure on mess charges should be limited to Rs. 49,00,000/- for the entire session during 2007-2008. But the expenditure incurred was Rs. 55,63,260/- which is in excess of Rs. 6,63,260/- is unauthorized. While purchasing food items like grains, kirana, vegetable, no proper procedures were followed. No stock register and no permanent article register were maintained to verify the genuineness of the items purchased. Thus Sri N. Dasarathrami Reddy, failed in his legitimate duties to follow the procedures and failed to verify the stock and issue registers periodically.

ARTICLES OF CHARGE – 19.

It is noticed that, Gas was purchased from open market by paying higher rates. There is no provision in bye-laws or resolutions made by the managing committee for purchasing gas by paying higher rates from the open market. Sri N. Dasarathrami Reddy, while working as Director, AP Study Circle, allowed to purchase Gas from open market instead of purchasing from Govt., agencies, due to which excess expenditure on mess charges of Rs. 3,23,299/- P.A. on this item which is irregular and unwarranted.

ARTICLES OF CHARGE – 20.

Sri N. Dasarathrami Reddy, purchased the computers from M/s Sundraw Technologies for Rs. 30,550/- with laser jet printer and 600 watts UPS for use in the Banjara Hills building and an amount of Rs. 1,49,960/- was paid to M/s Bajaj electronics Hyd., towards supply of two nos. of LCD TVs for which the details of purchases not available for verification. Thus, he violated the rules and made purchases without the permission of the higher authorities.

ARTICLES OF CHARGE – 21.

The credit details of (5) Fixed deposits worth Rs. 106,50,593/- are not found in the cash book though half margin memo issued to the Director, AP Study Circle, Hyd., he did not furnish the details for verification. Non-production of the records is a serious matter.

ARTICLES OF CHARGE – 22.

As per the bye-laws of AP Study Circle, the Director, is competent to sanction loans and advances up to Rs. 5000/- to subordinate staff whereas Sri N. Dasarathrami Reddy, drawn his salary advance and made adjustments from regular salary by making use of Study Circle grants every month which is irregular. He has also paid salary advance and financial assistance to the staff of AP Study Circle, and allowed them to pay in monthly installments. Thus Sri N. Dasarathrami Reddy, drawn an amount of Rs. 2,29,949/- towards salary advance and financial assistance to the staff of AP Study Circle, in violation of Rules of study Circle, which is quite irregular.

ARTICLES OF CHARGE – 23.

As per bye-law of AP Study Circle the accounts of AP Study Circle has to be audited by a Chartered Accountant every year as appointed by the Managing Committee and also to pay remuneration as approved by the Managing Committee. Sri N. Dasaratharami Reddy, paid an amount of Rs. 71,231/- to M/s Hawaldar and Associates Chartered Accountant towards fee for the year 2005-06,06-07 & from 1-4-2007 to 31-7-2007 and other charges without proper sanction orders and approval by the Managing Committee. The expenditure incurred was also not maintained properly. Thus Sri N. Dasaratharami reddy, violated the by laws and incurred huge amounts towards audit fees.

ARTICLES OF CHARGE – 24.

It is reported that, (3) computers found missing, in the AP study circle, as per the stock register and physical verification. Thus Sri N. Dasaratharami Reddy, failed to enquire into this aspect and also failed to fix the responsibility to recover the cost of the missing computers.

ARTICLES OF CHARGE – 25.

An amount of Rs. 1,94,301/- was drawn and paid to the staff for miscellaneous expenditure and purchase of books etc., for which no proper vouchers were produced which tantamount to misappropriation of Government money and not as per the Rules.

ARTICLES OF CHARGE – 26.

Sri N. Dasarathrami Reddy, while working as Director, AP Study Circle, committed serious financial irregularities and administrative lapses, which led to total financial crises of AP Study Circle. He failed to show devotion of his duties, follow the rules and bye-laws and financial rules in maintaining the AP Study Circle, during his tenure as Director.

V.NAGI REDDY
PRINCIPAL SECRETARY TO GOVERNMENT

(ANNEXURE – II)

STATEMENT OF IMPUTATIONS OF MISCONDUCT OR MISBEHAVIOUR IN SUPPORT OF ARTICLES OF CHARGES AGAINST SRI N. DASARATHARAMI REDDY, FORMERLY DIRECTOR, AP STUDY CIRCLE, HYDERABAD, PRESENTLY WORKING AS OFFICER ON SPECIAL DUTY, APSWREIS, HYDERBAD ON DEPUTATION

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Sri N. Dasarathrami Reddy, formerly Director, AP Study Circle, and presently Additional Director (SW) (under suspension) worked as Director, AP Study Circle from 13-12-2005 to 7-11-2007. During the said period Sri N. Dasarathrami Reddy, committed huge expenditure to a tune of Rs. 1,57,87,023 and Rs. 1,11,51,041 lakhs without obtaining the approval of the Secretary/President of AP Study Circle, Hyderabad.

The Sub-Committee of AP. Study Circle, in its meeting held on 2-1-2008 resolved to submit a report to the Government, about the total activity of AP Study Circle, Hyderabad from January, 2006 to 31st October, 2007 highlighting the events which led to total financial crisis of AP Study Circle, Hyderabad.

In view of the above, the Commissioner of Social Welfare, in the capacity of Secretary, AP Study Circle, directed the Accounts Officer (Audit) O/o the Commissioner of Social Welfare, Hyderabad, vide U.O.Note Rc.No. CSW/Peshi/2007, dt. 18-2-2008 to conduct detailed audit of accounts of AP Study Circle, Hyderabad for the periods 2005-06, 2006-07 & 2007-08 and to submit detailed report.

Accordingly the Accounts Officer (audit) O/o the Commissioner of Social Welfare, AP, Hyderabad, has conducted the internal audit of the accounts of AP Study Circle, Hyderabad, for the year 2005-06, 2006-07 & 1-4-2007 to 26-2-2008 and submitted a detailed audit report dt. 7-3-2008, wherein it was pointed out that there were serious financial irregularities ie., major irregularities for Rs. 1,57,87,023 and minor irregularities for Rs. 1,11,51,041/- and administrative lapses on the part of the Director, AP Study Circle. The audit report was placed before the Sub-Committee of AP. Study Circle.

The Sub committee which met on 8-4-2008 discussed in detail on the audit report and felt that Sri N. Dasaratharami Reddy, the then Director, A.P. Study Circle, is responsible for all the serious financial irregularities and administrative lapses noticed in the audit report and recommended for suspension of Sri N. Dasaratharami Reddy, ie., the applicant. The sub-Committee also recommended for appointment of an IAS officer as enquiry officer. Accordingly a detailed report was submitted by the Commissioner of Social Welfare, AP, Hyderabad vide DO.Lr.Rc.No. APSC/391/2007, dt. 15-4-2008.

The Government vide GO.Rt.No. 292 SW(SW:Ser.I.1) Dept.,dt. 26-4-2008 placed Sri N. Dasaratharami Reddy, formerly the then Director, AP Study Circle, presently Addl.Director(SW) (under suspension), for the serious financial irregularities and Administrative lapses committed by him during tenure as Director, AP Study Circle, Hyderabad.

V.NAGI REDDY

PRINCIPAL SECRETARY TO GOVERNMENT

(ANNEXURE – III)

LIST OF DOCUMENTS BY WHICH THE ARTICLES OF CHARGES FRAMED AGAINST SRI N. DASARATHARAMI REDDY, FORMERLY DIRECTOR, AP STUDY CIRCLE, HYDERABAD, PRESENTLY WORKING AS OFFICER ON SPECIAL DUTY, APSWREIS, HYDERBAD ON DEPUTATION

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1. Lr.Rc.No. APSC/391/2007, DT. 15-4-2008.
2. Audit report dt. 7-3-2008 of the Accounts Officer (Audit) O/o the Commissioner of Social Welfare, AP, Hyderabad

V.NAGI REDDY
PRINCIPAL SECRETARY TO GOVERNMENT

(ANNEXURE – IV)

LIST OF WITNESSES BY WHOM THE ARTICLES OF CHARGES FRAMED AGAINST
SRI N. DASARATHARAMI REDDY, FORMERLY DIRECTOR, AP STUDY CIRCLE,
HYDERABAD, PRESENTLY ADDITIONAL DIRECTOR(SW) (UNDER SUSPENSION)

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-Nil-

V.NAGI REDDY
PRINCIPAL SECRETARY TO GOVERNMENT